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Summary record of the 21st meeting
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Chairman: Mr. Bródi ..... (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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The meeting was called to order at 10.15 a.m.

Agenda item 118: Programme budget for the biennium 2008-2009 (*continued*)

1. **The Chairman**, recalled that, at the Committee's 19th meeting, members had voiced a number of additional comments and questions regarding the improvement and modernization of the conference facilities and construction of additional office facilities at the United Nations Office at Nairobi, previously discussed on a number of occasions, including the informal consultations held on 18 November 2008. In response to those questions and comments, and subsequent follow-up questions, the Secretariat had provided the Committee with written supplementary information regarding the construction projects, dated 26 November 2008, updating that provided on 21 November 2008.

2. **Mr. Adlerstein** (Assistant Secretary-General for the Capital Master Plan), recalling the Secretary-General's report on improving and modernizing the conference facilities and construction of additional office facilities at the United Nations Office at Nairobi (A/62/794), and the related Advisory Committee report (A/63/465), introduced at the Committee's 3rd meeting, stressed the commitment of the Secretary-General to the construction projects and to ensuring their implementation. The updated supplementary information provided to the Committee sought to respond to the questions asked, reflecting the position of the Secretary-General on the matters concerned.

3. Turning first to the basis for the delegation of authority given to the Director of Administration at the United Nations Office at Nairobi, he said that, in 2003, the steering group on reform and management had reviewed the delegation of authority with a view to implementing paragraph 189 and Action 32 of the Secretary-General's report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387). An inter-office project steering committee and working groups had been established, with the Office of Internal Oversight Services and the Office of Legal Affairs participating in the working groups.

4. The current delegation of financial authority had been granted to the Director of Administration at the United Nations Office at Nairobi by the Controller on 27 July 2004; procurement authority had been issued by the Assistant Secretary-General for Central Support Services on 19 May 2005. Both delegations of authority had been issued as part of the implementation of the revised Financial Regulations and Rules approved by the General Assembly in its resolution 57/573.

5. With regard to whether and how the Director-General of the Office had been briefed or consulted on the projects, a formal presentation on the project to construct new office facilities had been given to the Director-General and other senior officials on 10 October 2008.

6. With regard to whether the Director-General had authority and responsibility for the projects, Secretary-General's Bulletin ST/SGB/2008/7 stipulated that the Director-General was responsible for all activities of the United Nations Office at Nairobi and provided executive direction and management to the programmes of administration, conference services and other support and common services. The Director-General therefore had the full responsibility and authority necessary to manage the projects.

7. Details of the composition and competencies of the team, including the dedicated resources managing the projects, appeared in writing in the updated supplementary information, and specified each individual's grade, title, position in the reporting line, responsibilities, experience and track record, and the amount of time each individual would dedicate to each project until its completion.

8. The proactive steps taken to get the new office construction project back on schedule included terminating the services of the first architect, who had not performed properly, and engaging the services of a new architect, who had then produced the construction documents and tender package in just under one year, less time than usual for the industry.

9. With regard to the length of time needed to complete the construction project, the successful bidder would be expected to complete the construction of the new facility within 24 months of the award of the construction contract. That would be followed by several months of interior fitting-out, which would be handled under separate contracts.

10. With regard to the general policy of the Organization towards construction projects on the African continent, the Secretariat was fully committed to delivering all construction projects under its

management. The new office facility construction project at the United Nations Office at Nairobi had experienced significant delays since its inception but the Secretariat had taken the necessary remedial action. Once the tender process was complete, the Secretariat would proceed to the next stage, and would embark upon a construction contract on receiving the approval of the General Assembly of the revised total estimated cost.

11. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, thanked the Assistant Secretary-General for the Capital Master Plan for providing responses to the Group's questions. Speedy completion of the construction projects in Nairobi and Addis Ababa was crucial.

12. On 20 November 2008, the Group had taken the extraordinary step of requesting that a formal meeting of the Committee should be scheduled to discuss the construction project at the United Nations Office at Nairobi, as the Member States had received inadequate, contradictory and inconsistent answers to their questions and comments. That unacceptable situation clearly demonstrated a lack of accountability and commitment regarding the project.

13. The Group recalled the indication by the Director-General of the Office that she had not been consulted during the preparation of the Secretary-General's report, and that she had received no guidance or advice regarding the project. The Group was particularly concerned that the highest-ranking official in Nairobi appeared not to have the necessary delegation of authority for the project and had not been consulted or kept informed about it.

14. The Group also recalled her recommendations for the project to have a dedicated on-site unit within the Office to take charge of it and ensure adequate capacity and ability; that day-to-day supervision should be in the hands of managers in Nairobi, with Headquarters in New York providing guidance and support as required; that, in accordance with Secretary-General's Bulletin ST/SGB/2008/7 on the organization of the United Nations Office at Nairobi, delegation of authority should be granted to her and the Executive Services Management Board should be involved as appropriate; and that the project should have an independent oversight mechanism.

15. Accordingly, the Group believed that the delegation of authority must be aligned with the proposed new arrangements for the project, including full delegation of authority to the Director-General of the Office, enabling her to exercise authority as outlined in the Secretary-General's Bulletin. It was not an option to maintain the status quo in Nairobi. As a matter of urgency, the Director-General should assume full responsibility and accountability for the implementation of the project.

16. Regretting that the Member States had felt it necessary to produce their own summary of the remarks made by the Director-General in the informal consultations at the end of October 2008, and having consulted other regional groups and individual delegations regarding that summary, which it believed constituted useful background and context to the challenges on the ground in Nairobi, the Group of 77 and China was prepared to resume informal consultations on the matter at hand. It hoped and trusted that that suppression of a manager's frank views and insights would not occur again. The Committee's business should be conducted in an environment of trust, transparency and truthfulness, as the overriding practice in the Committee and the Secretariat. Lastly, the Group would like the text of the remarks of the Assistant Secretary-General for the Capital Master Plan and the views of the Office of Legal Affairs on the delegation of authority to be provided to the Committee.

17. **The Chairman** said that the request by the representative of Antigua and Barbuda, speaking on behalf of the Group of 77 and China, would be complied with.

The meeting rose at 10.30 a.m.